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UNCLAS SECTION 01 OF 02 PORT OF SPAIN 000488

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E.O. 12958: N/A
TAGS: [PGOV](#) [KCOR](#) [TD](#)
SUBJECT: T&T LEADER OF OPPOSITION FOUND GUILTY IN
INTEGRITY TRIAL

REF: A. PORT OF SPAIN 00200

[1](#)B. PORT OF SPAIN 00411
[1](#)C. PORT OF SPAIN 00253

[1](#)1. (SBU) SUMMARY: United National Congress Leader of the Opposition Basdeo Panday was found guilty on all three counts of knowingly making a false declaration of income and assets to the Integrity Commission. Panday has been incarcerated in the maximum security prison. Constitutionally, he will be required to step down from his seat in Parliament, which also opens the position of Leader of the Opposition. At this point, we are unsure if this sentence will sow further seeds of destruction in the UNC or if the party will dust itself off and unite behind a new leader. END SUMMARY.

[1](#)2. (U) Chief Magistrate Sherman McNicolls rendered the verdict in the integrity trial of United National Congress (UNC) Leader of the Opposition Basdeo Panday on April 24. McNicolls found Panday guilty on all three counts of knowingly making a false declaration of income and assets to the Integrity Commission in 1997, 1998 and 1999. Panday ran afoul of the Integrity in Public Life Act by failing to disclose the existence of a London bank account (Reftels A and B). He is the first person holding high office to be charged under this act. He was sentenced to two years' hard labor; fined TTD 60,000 (USD 10,000); and required to repay the amount of the undeclared assets, some TTD 1.6 million (USD 266,000). The Chief Magistrate denied bail and Panday, with his head bowed, was immediately taken to processing for jail. Panday's attorneys will appear before the High Court to apply for bail. Panday is currently housed in the maximum security prison in Arouca.

[1](#)3. (U) The court was crowded with subdued supporters and curious onlookers along with a contingent of armed police officers, both inside and outside the courtroom. People gathered from as early as 8:00 am to hear the judgment, which was finally read at 10:00. A muffled cry was heard as the "guilty" verdict was pronounced. Some attorneys were surprised that Panday was sentenced to jail. Observers expected a "guilty" verdict, but did not expect that the Chief Magistrate would impose hard time on the 73-year-old former Prime Minister. Panday's daughter, Mikela, and brother, Subhas (a UNC MP), were present in court with members of the UNC executive. Mikela shed tears while Rupert Griffith, Speaker of the House under the UNC Government, sobbed openly.

[1](#)4. (U) The Constitution stipulates that anyone who is sentenced to jail for a period of more than 12 months

is ineligible to hold a seat in Parliament. The guilty verdict and 2-year sentence requires Panday to resign from his seat in the Lower House of Representatives in Parliament, and, consequently, his position as Leader of the Opposition. Constitutionally, a by-election must be called in Panday's constituency since the Parliament has more than one year left in its normal term (the next general elections are due to be held no later than October 2007). The controversial Ramesh Lawrence Maharaj, who served as Attorney General under the former UNC government, and who was publicly brought back by Panday to the UNC fold at the February 19 UNC unity rally (ref C) maybe the most likely UNC candidate in the anticipated by-election. Such a comeback would necessitate quick action by the UNC executive to approve Maharaj's formal application to rejoin the party.

15. (SBU) COMMENT: The big question at this point whether the UNC will rally behind another leader or further disintegrate in the absence of the charismatic Panday. It is a question of which way the UNC executive, Panday's "inner circle," will swing. If the UNC executive closes ranks and appoints Political Leader Winston Dookeran Leader of the Opposition, the UNC can begin to put the Panday corruption trial behind them and focus on the next general elections with a relatively clean slate given Dookeran's reputation as being a clean politician. In this scenario, alienated members and UNC backbenchers, such as Fuad Khan and Gillain Lucky, would likely rejoin the party. In short, an internal healing process could begin, ultimately strengthening the party for the next elections.

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16. (SBU) COMMENT CONTINUED: On the other hand, if the party executive stays faithful to Panday and his recent policies by continuing to marginalize Dookeran and Chief Whip Ganga Singh, the UNC is likely to further disintegrate without the force of Panday's personality to hold it together. In this scenario, the UNC will collapse under its own weight, making it easy for the PNM to win the next general elections. Another big question is the reentry of former Attorney General Ramesh Lawrence Maharaj. It is unclear if he is allowed to rejoin the party whether he will act as more a unifier or a divider. At this point he appears to be the only viable challenger to Dookeran for the Leader of the Opposition spot. END COMMENT.

AUSTIN